

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11  
THE IT GROUP, INC., et al., : Case No. 02-10118 (MFW)  
Debtors. : Jointly Administered  
:   
: Related Document: 646 and 1180 (objection)  
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**STIPULATION AND CONDITIONAL WITHDRAWAL OF OBJECTION TO MOTION  
FOR ORDER (I) APPROVING (A) ASSET PURCHASE AGREEMENT FOR SALE OF  
SUBSTANTIALLY ALL OF THE ASSETS OF THE DEBTORS' BUSINESS, (B) BIDDING  
PROCEDURES IN CONNECTION WITH THE SALE AND (C) BREAK-UP FEE AND  
EXPENSE REIMBURSEMENT IN CONNECTION THEREWITH, (II) AUTHORIZING  
SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND  
INTERESTS (III) DETERMINING THAT SUCH SALE IS EXEMPT FROM ANY STAMP,  
TRANSFER, RECORDING, OR SIMILAR TAX, (IV) AUTHORIZING THE  
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES, AND (V) GRANTING RELATED RELIEF**

The IT Group, Inc. ("The IT Group") filed a Motion to Approve Asset Purchase Agreement and for other relief dated January 25, 2002 (the "Sale Motion"). Allied Waste Industries and other affiliated entities (the "Allied Waste Entities"), as set forth on Exhibit A to Allied Waste Entities' Objection to the Sale Motion (the "Sale Motion Objection") filed on April 16, 2002 (Docket No. 1180), hereby conditionally withdraw their Sale Motion Objection.

1. The Sale Motion Objection asserted, among other things, that The IT Group could not provide adequate assurance of future performance and that the assumption and assignment of certain contracts was precluded pursuant to 11 U.S.C. § 365(c)(1).

2. On April 12, 2002, the Allied Waste Entities also filed a Response and Limited Objection Regarding Cure Amounts to the Sale Motion (the "Cure Objection") (Docket No. 1074).

3. The IT Group, Shaw Group, Inc. ("Shaw") and the Allied Related Entities have reached an agreement which resolves the objections raised by the Allied Related Entities in the Sale Motion Objection, subject to the following terms and conditions:

a. The Landfill Site Equipment and Systems Operations Agreement between BFI Services Group, Inc and Power Strategies Operating, Inc. dated October 22, 1999, as assigned to Organic Waste Technologies, Inc. (the "Operations Agreement") is modified in accordance with the terms of the letter agreement (the "Letter Agreement"), a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

b. The IT Group, including without limitation EMCON, and Shaw, as the successor and assignee to EMCON under the Letter Agreement, and the Allied Related Entities to the Letter Agreement shall be bound by and shall perform as required under the terms of the Letter Agreement.

c. The IT Group shall be permitted to assume and assign to Shaw and Shaw shall assume and accept according to their terms and conditions the executory contracts designated in the Sale Motion to which the Allied Related Entities are parties, subject to the modifications to the Operations Agreement set forth in the Letter Agreement.

d. The Allied Waste Entities retain all rights to pursue any cure amounts that may be due in accordance with the procedures established by the Court and the Cure Objection filed by the Allied Waste Entities is not affected by this conditional withdrawal.

e. Subject to the foregoing terms and conditions, the Sale Motion Objection filed by the Allied Waste Entities is withdrawn.

4. This conditional withdrawal is subject to and conditioned upon The IT Group obtaining Court approval and providing notice of the terms and conditions of this withdrawal, including without limitation, the terms of the Letter Agreement, and, alternatively, certifying that the terms of the conditional withdrawal, including the terms of the Letter Agreement, are binding and fully enforceable as to The IT Group and Shaw without further action of any kind, including without limitation, notice, or approval by the Court or any other party.

WHEREFORE the Allied Waste Entities request that the Court:

- A. Permit and, to the extent necessary, approve the conditional withdrawal of the Sale Motion Objection filed by the Allied Waste Entities in accordance with the terms set forth above; and
- B. Award other and further relief as the Court deems just and proper.

Dated: Wilmington, Delaware  
April 24, 2002

SMITH, KATZENSTEIN & FURLOW,  
LLP



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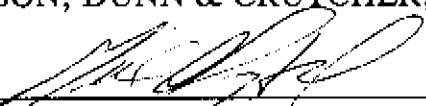
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SO ORDERED THIS 25 DAY OF APRIL, 2002.

  
The Honorable Mary F. Walrath  
United States Bankruptcy Judge



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Bolingbrook, IL 60440  
Tel. 630.771.9200

April 18, 2002

Mr. Doug Bocco  
Director of Engineering  
Allied Waste Industries, Inc., Suite 100  
15880 North Greenway - Hayden Loop  
Scottsdale, Arizona 85260

Re: Letter of Agreement to resolve ERMI contractual related issues

Dear Mr. Bocco:

Per our phone conversation on the morning of April 18, 2002, the following items were discussed and agreed upon between Allied Waste Industries, Inc. (AWI), BFI Services Group, Inc., and EMCON/OWT Solid Waste Services and its related companies (EMCON).

- EMCON will modify the terms of the Landfill Site Equipment and Systems Operations Agreement between BFI Services Group, Inc. and Power Strategies Operating, Inc. dated October 22, 1999 as assigned to Organic Waste Technologies, Inc (Operations Agreement). The modification entails the termination of services under Schedule 1 of the above-referenced Agreement on May 15, 2002. The sites and project numbers under Schedule 1 of the Agreement are as follows:

<u>Site Name</u>	<u>Project No.</u>
Aber Road	821568
Bobmoyer Road	821570
Bigfoot	821569
Muskingum	821572
Duck Creek	821571

AWI will continue to pay for transitional services for a period of 60 days following termination of the Schedule 1 Operations Agreement, consistent with current hourly and rate commitments, to the EMCON project manager.

- EMCON will be paid in full for services related to the above-referenced modified Operations Agreement within 30 days of termination of contract and final invoicing.
- EMCON will be given the right of first refusal should the above-referenced project be outsourced at any time within the scope and terms of the existing Agreement.

**EXHIBIT A**

(53) (b)(6)(B)(v)(B)

- AWI will fulfill its payment terms obligations with EMCON on all outstanding receivables as of April 18, 2002. In addition, AWI will revise, and make clear to all AWI employees, that EMCON payment terms as of this date will be "paid and received within 60 days of receipt by an AWI employee".
- AWI will develop and authorize new Master Services Agreements (MSAs) between all pertinent AWI Companies and their subsidiaries and EMCON within 10 days of the closing of the sale (transfer of actual ownership of the JT assets to Shaw).
- AWI will provide a two-year commitment to EMCON, corresponding with the dates on the forthcoming signed MSAs, to conduct all AWI transactional due diligence under agreed-upon rates and terms.
- AWI will allow EMCON to bid on the AWI annual due diligence contract at the end of the current two-year contract.
- AWI will set up and direct an internal AWI information sharing conference call with AWI regional managers and EMCON personnel. The intent of the call is to assure that AWI staff understand that EMCON is again an approved provider of services to AWI, and should be included for consideration on all AWI projects as appropriate. This should provide the opportunities through which EMCON could return to the level of services previously provided to AWI.

We appreciate the opportunity to be of continuing service to Allied Waste Industries, Inc. and BPI Services Group, Inc. Please indicate your approval of this agreement by signing below and returning the executed copies to our office. In the meantime, please contact me with any questions.

Sincerely,

EMCON

Kenneth J. Karl

Kenneth J. Karl  
Allied National Account Manager

The above agreement, including all attachments, has been read and understood and is hereby agreed to and accepted. It is agreed that the attached, if any, form an express part of the Contract, as evidenced by my signature below:

ALLIED WASTE INDUSTRIES, INC. - BPI SERVICES GROUP, INC.

By \_\_\_\_\_ Date 4-19-02  
Name: S. Doug B. D. Title \_\_\_\_\_